

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0341P**

**Use Tax**

**Calendar Years 1997, 1998, 1999**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on May 24, 2000.

Taxpayer is an Indiana corporation. At audit, it was discovered that the taxpayer had no use tax accrual system in place.

I. **Tax Administration** – Penalty

**DISCUSSION**

At issue is whether the taxpayer was negligent in failing to remit use tax due.

Taxpayer failed to remit use tax on clearly taxable items and had no use tax accrual system in place.

Taxpayer states it was in substantial compliance and the tax assessed was minor.

Department records indicate the taxpayer self-assessed no use tax. In addition, taxpayer has not provided reasonable cause for failing to self assess tax.

**FINDING**

Taxpayer's protest is denied.